

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MINNESOTA**

Target Corporation, a Minnesota corporation,

Plaintiff,

v.

ACE American Insurance Company, a
Pennsylvania corporation, and ACE Property &
Casualty Insurance Co., a Pennsylvania
corporation

Defendant.

Case No. 0:19-cv-02916

Jury Trial Demanded

PLAINTIFF AND COUNTERCLAIM
DEFENDANT TARGET
CORPORATION'S ANSWER TO
ACE AMERICAN INSURANCE
COMPANY AND ACE PROPERTY &
CASUALTY INSURANCE
COMPANY'S COUNTERCLAIM

Plaintiff Target Corporation ("Target") answers the Counterclaim of Defendants ACE American Insurance Company and ACE Property & Casualty Insurance Co. (collectively, "ACE") as follows. Paragraph numbers in this Answer correspond to the paragraph numbers in the Counterclaim. Target denies each and every matter, allegation, and statement in ACE's Counterclaim, except as hereinafter expressly admitted.

COUNTERCLAIM

1. Admits in response to paragraph 1 of ACE's Counterclaim that ACE asserts a Counterclaim for a judicial determination and declaration of the parties' respective rights and obligations under the Primary Policy and under the Excess Policy.

2. Admits in response to paragraph 2 of ACE's Counterclaim that there is a dispute and actual controversy and disagreement between Target and ACE regarding whether ACE has a duty to indemnify Target for the Payment Card Claims.

3. Denies the allegations contained in paragraphs 3 and 4 of ACE's Counterclaim.

PRAYER FOR RELIEF

A. ACE's prayer for relief does not require a response. To the extent a response is deemed necessary, Target denies that ACE is entitled to the relief requested or to any other relief on its claim.

B. ACE's prayer for relief does not require a response. To the extent a response is deemed necessary, Target denies that ACE is entitled to the relief requested or to any other relief on its claim.

C. ACE's prayer for relief does not require a response. To the extent a response is deemed necessary, Target denies that ACE is entitled to the relief requested or to any other relief on its claim.

TARGET'S AFFIRMATIVE DEFENSES

FIRST AFFIRMATIVE DEFENSE

ACE's Counterclaim fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

ACE's Counterclaim is barred, in whole or in part, by the doctrine of waiver and/or laches.

THIRD AFFIRMATIVE DEFENSE

ACE's Counterclaim is barred, in whole or in part, by the doctrine of estoppel.

FOURTH AFFIRMATIVE DEFENSE

ACE's Counterclaim is barred, in whole or in part, by the doctrine of unclean hands.

FIFTH AFFIRMATIVE DEFENSE

ACE's Counterclaim is barred due to material breaches of the Policy and its failure to perform its obligations under the Policy.

SIXTH AFFIRMATIVE DEFENSE

Target reserves the right to supplement or amend this Answer, including through the addition of any other affirmative defenses, based upon information developed through discovery and proceedings in this action or otherwise.

WHEREFORE, having answered ACE's Counterclaim, Target respectfully prays for relief as follows:

1. That the Court dismiss the Counterclaim with prejudice;
2. That the Court award to Target its attorney's fees, costs, and disbursements incurred in defending the claims asserted in ACE's Counterclaim;
3. That the Court award to Target interest on such attorney's fees, costs, and disbursements;
4. That the Court award such other relief as the Court may deem to be just, fair, and equitable under the circumstances of this case.

Dated: December 31, 2019

Respectfully submitted,

/s/ John B. Lunseth II

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